

Assigned DOGM File No.: S 0471072

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Permit Fee Paid
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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED

MAR 06 2000

DIVISION OF
OIL, GAS AND MINING

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Hardaway No. 1
2. Name of Operator/Applicant: Ziegler Chemical & Mineral Corporation
Company () Corporation (X) Partnership () Individual ()
3. Permanent Address: 100 Jericho Quadrangle
City: Jericho State: NY Zip Code: 11753
Telephone Number: (516) 681-9600 Fax: _____
4. Ownership of Land Surface:

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name <u>Ziegler Chemical</u>	Address <u>100 Jericho Quadrangle, Jericho, NY</u>
Name _____	Address _____
Name _____	Address _____
Name _____	Address _____

5. Ownership of Minerals:

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
 State Trust Land/School Sections ☐ State Sovereign Lands ☐
 Other (please describe): _____

Name American Gilsonite Address Bonanza, Utah 84008 (Oil & Gas rights)

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Utah Mining Claim Number(s): M S 5688

Utah State Lease Number(s): N/A

Name of Lessee(s) N/A

6. Have the above surface and mineral owners been notified in writing?
 Yes XX No _____

If no, why not? _____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

7. Does the operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes XX No _____

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. Project Location (legal description):

County(ies): Uintah

N1/2 NW of NE	1/4 of SW	1/4: Section: <u>7</u>	Township: <u>11</u>	Range: <u>24</u>
SESE 1/4 of SW	1/4 of NW	1/4: Section: <u>7</u>	Township: <u>11</u>	Range: <u>24</u>
NENE 1/4 of NW	1/4 of SW	1/4: Section: <u>7</u>	Township: <u>11</u>	Range: <u>24</u>

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location Archy Bench and Asphalt Wash

2. A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the operator also plot

and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

III. OPERATION PLAN (Rule R647-3-106)

1. Type of mining: Surface ☐ Underground ☒
2. Mineral(s) to be mined: Gilsonite
3. Provide a brief description of the proposed mining operation and onsite processing facilities. See attached Proposed Mining Operation

N/A ☐ New Road(s): Length _____ (ft) Width _____ (ft)

N/A ☐ Improved Road(s): Length _____ (ft) Width _____ (ft)

Total project surface acreage to be disturbed: 1.65 (acres)

Proposed startup date of project (month, year) March 2000

Proposed completion date of project, if known (month, year) Not Known

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.

10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by ripping, discing, or harrowing.
13. Reseed disturbed areas with adaptable species. (The Division recommends seeding 20 lbs./acre of native and introduced species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or if broadcast seeded, harrow or rake the seed 1/4-1/2 inch into the soil - fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)

Yes ☐ No ☒

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

<u>Item Number</u>	<u>Variance Request Justification</u>
	None

VI. PERMIT FEE [Mined Land Reclamation Act 40-8-7(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (I)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention and annually thereafter.

Small Mining Notices require a \$100.00 fee which must accompany this application.

VII. SIGNATURE REQUIREMENT

I hereby commit to conduct mining operations and to reclaim the aforementioned small mine as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature of Operator/Applicant: _____

Name (typed or printed): _____

Title/Position (if applicable): _____

Date: _____


Gordon Ziegler

President

3/2/2000

Hardaway No. 1

Proposed Mining Operation

The proposed mining operation would involve the mining of gilsonite from the Harrison gilsonite vein in Section 7, T11S, R24E in Uintah County, Utah (refer back to II. Project Location & Map). The plan proposes that gilsonite be mined from Ziegler Chemical & Mineral patented claim MS 5688 Hardaway. Mining will take place in an order that is beneficial to Ziegler. As part of the exploration plan the operator plans to drill some exploration holes with maximum depth of 1,000 feet some of the holes will be drilled using air as a circulating medium. Three or four of the holes will probably be drilled using the small Longear exploration rig. This rig will use water with a small additive of Bentonite and no chemicals. Operator does not anticipate new roads being built for exploration holes.

The shaft will be located approximately fifty (50) feet west of Uintah County Asphalt Wash Road as illustrated in the maps included. Escapeways will be located on both sides of the shaft along the line of the vein. Mining would proceed to the southeast and to the northwest from the mining shaft along the line of the vein.

The gilsonite would be mined by a stoping process. Stopping involves sinking a shaft and then removing the mineral by excavating along the vein in both directions from the shaft. Ziegler would conduct mining in such a manner as would yield the maximum recovery of ore consistent with safety and the protection of the environment.

Stoping would begin upon completion of the shaft and escapeways. Gilsonite in the vein would not be mined between the surface and a depth of 35 ft in order to prevent subsidence of and disturbance to the ground surface, as well as for safety reasons (to prevent people or animals from falling into an open cut) and to prevent possible surface slumpage. The bottom 20 ft of the shaft would be the "sump", where gilsonite removed from the stopes would fall and be airlifted to the surface through the 12 inch diameter vacuum lift pipeline located in the utility shaft. Since the upper 35 ft would not be mined, this would leave a block 100 ft high from which gilsonite could be removed. Once this 100 ft block of ore has been removed, the shaft would be extended 110 ft deeper to allow another 100 ft block of ore to be mined. The process would be repeated until the bottom of the

workable ore would be reached. A 10 ft thick pillar would be left unmined between each 100 ft deep block of mined area to lend support to the mined area.

Wooden stulls (braces) would be placed wherever necessary to brace the walls of the mine, but generally in a 5 x 5 ft pattern, both horizontally and vertically. The timbers for these braces would be stored on Ziegler's patented land in N1/2NE1/4 Section 4, T9S, R24E. The stulls will control loose rock areas and will be 4½" to 8" in diameter. They will be emplaced by chipping notches in the wall and by using wooden wedges to tighten them.

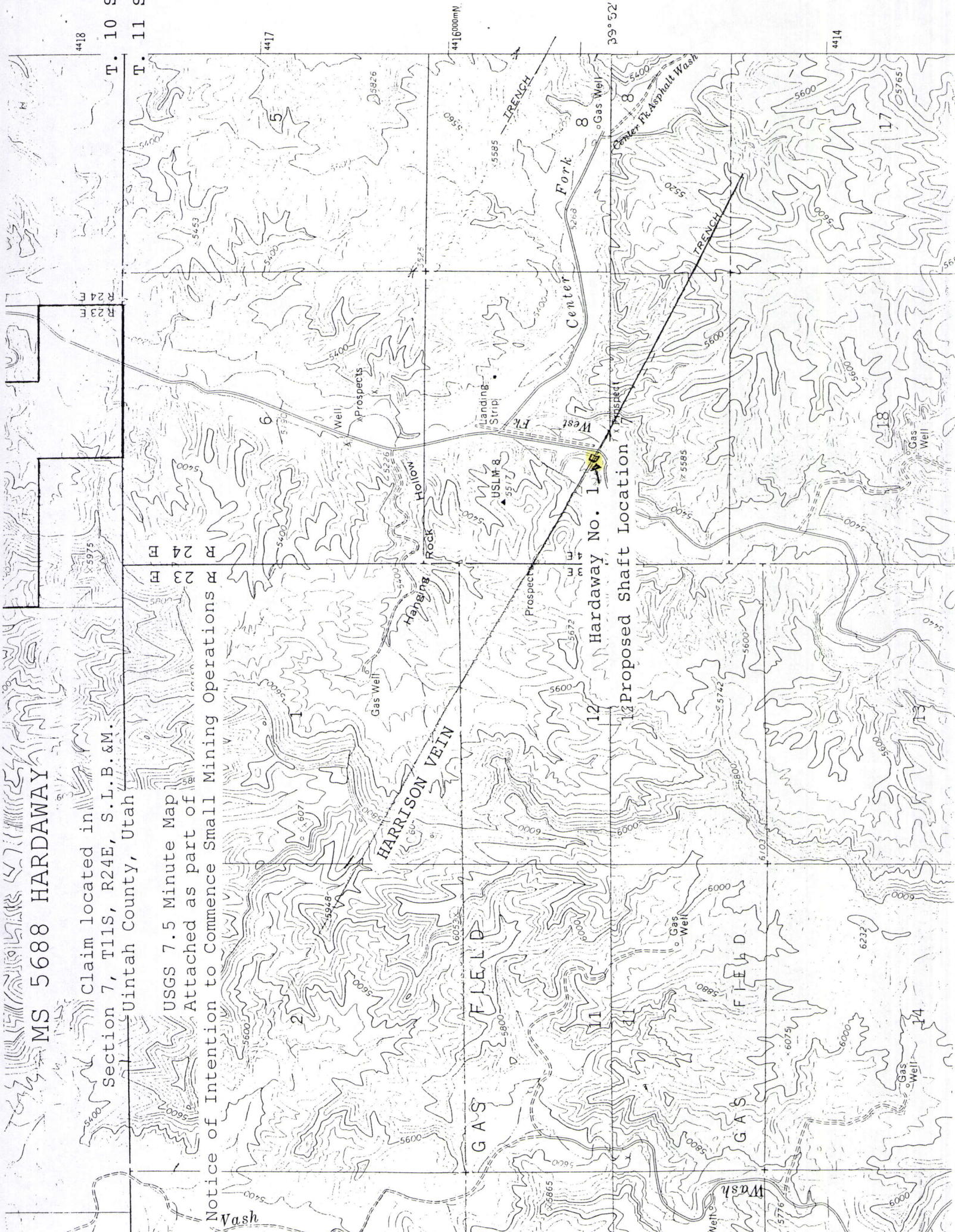
The floors during mining would be constructed of chain link fence supported by wooden stulls chipped into the rock walls.

MS 5688 HARDAWAY

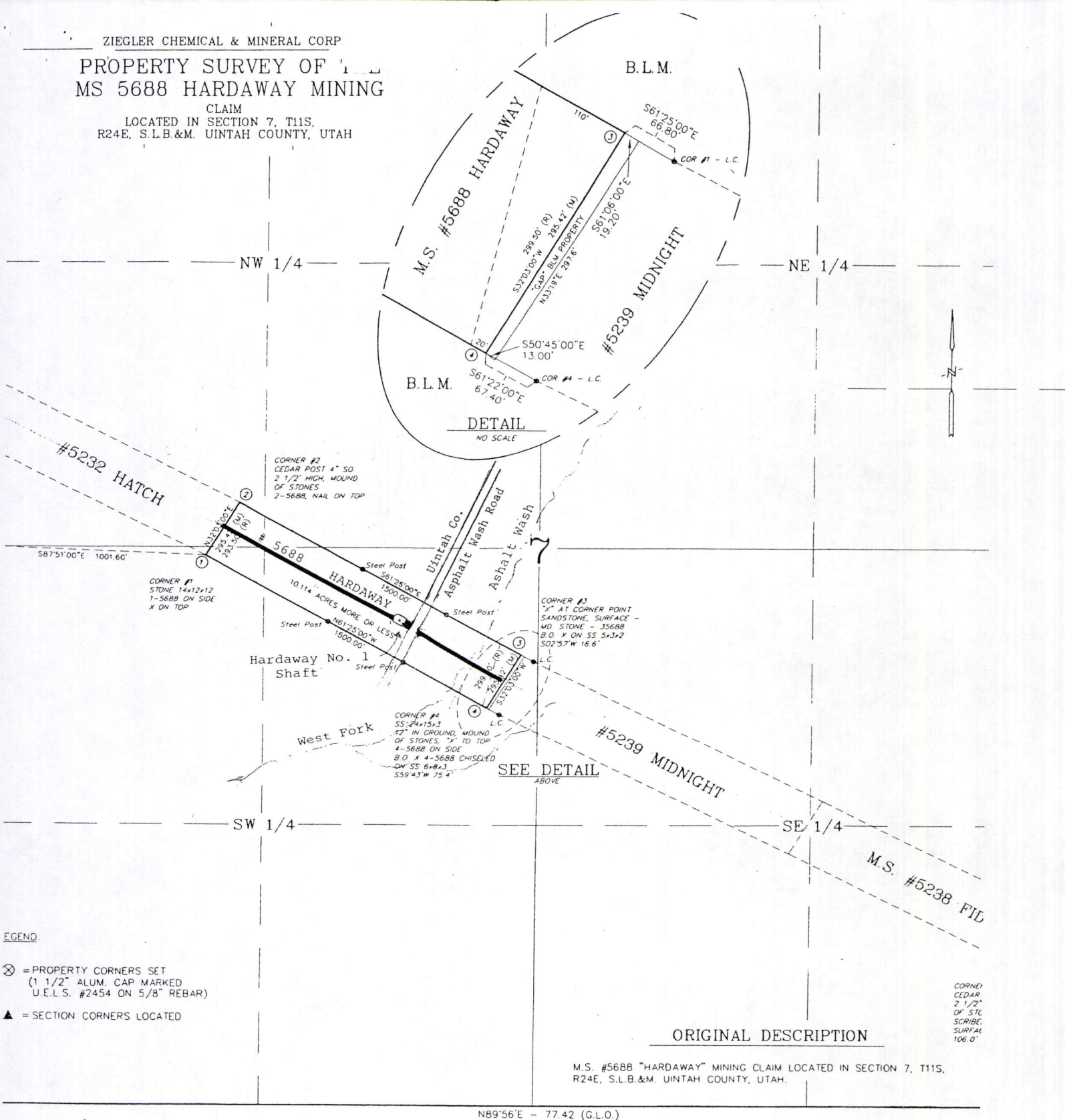
Claim located in
Section 7, T11S, R24E, S.L.B.&M.
Uintah County, Utah

USGS 7.5 Minute Map
Attached as part of

Notice of Intention to Commence Small Mining Operations



Hardaway No. 1
Proposed Shaft Location

PROPERTY SURVEY OF
MS 5688 HARDAWAY MININGCLAIM
LOCATED IN SECTION 7, T11S,
R24E, S.L.B.&M. UTAH COUNTY, UTAH

U.E.L.S.

UINTAH ENGINEERING & LAND SURVEYING

PHONE: (435) 789-1017

85 SOUTH 200 EAST - VERNAL, UTAH 84078

SCALE: 1" = 400'	DATE SURVEYED: 01-13-00	DATE DRAWN: 01-19-00
SURVEYED BY: L.D.T.	DRAWN BY: D.R.B.	
WEATHER: COLD	FILE: 3 1 7 2 6	

REVISED DESCRIPTION

NONE REQUIRED

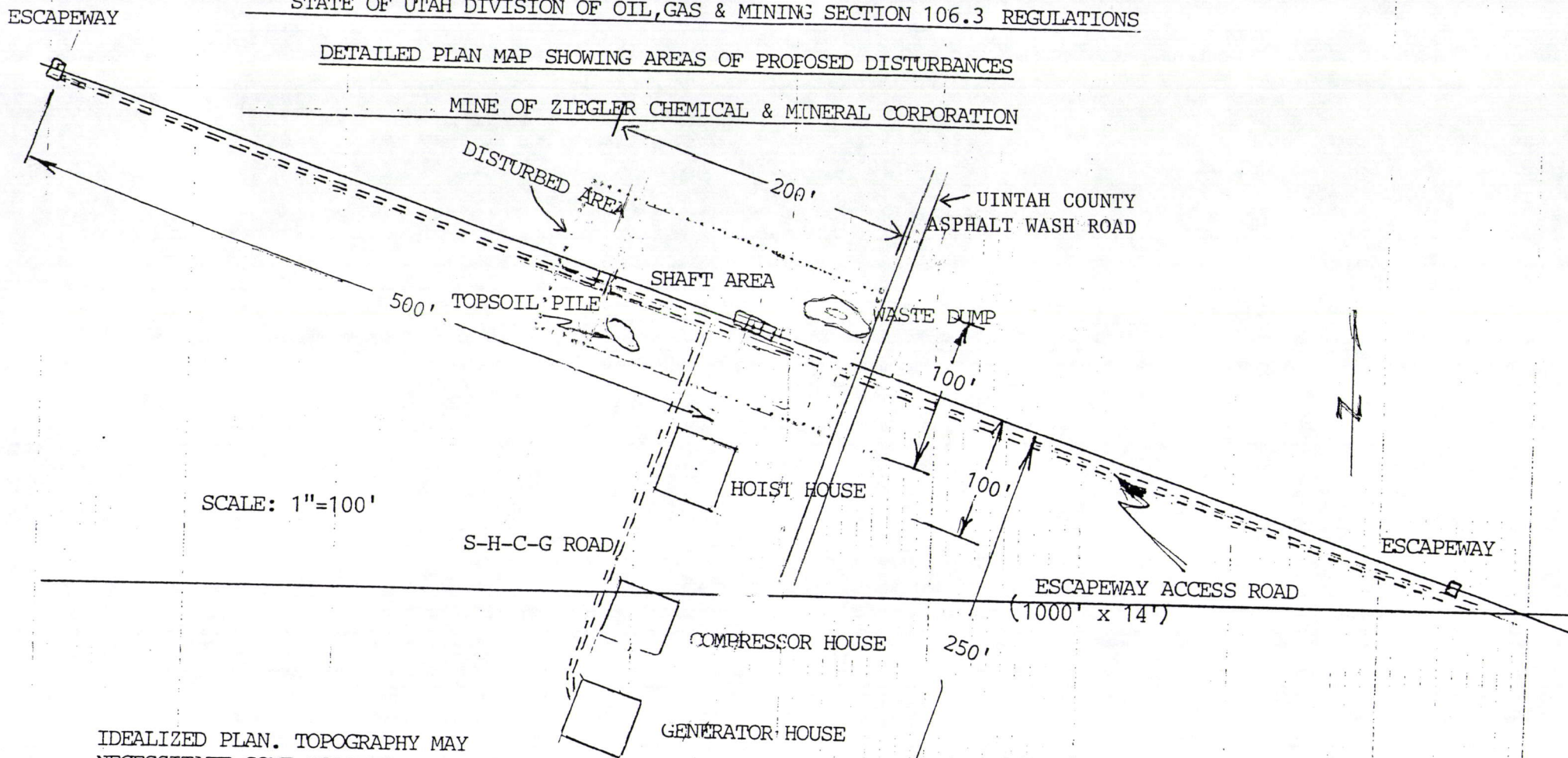
SURVEYORS NARRATIVE

MR. NORMAN HASLEN OF ZIEGLER CHEMICAL & MINERAL CORP. REQUESTED A SURVEY OF THE "HARDAWAY" MINING CLAIM LOCATED IN SECTION 7, T11S R24E, S.L.B.&M. WE USED THE M.S. #5688 FIELD NOTES TO DETERMINE WHERE THE ACTUAL CLAIM WAS LOCATED AND WE FOUND AND USED FOR SURVEY CONTROL THE ACTUAL CLAIM CORNERS AS SHOWN ON THIS PLAT. WE SET STEEL POSTS AS SHOWN ON THIS PLAT SO THAT THE ACTUAL CLAIM LINES CAN BE LOCATED IN THE BOTTOM OF THE WEST FORK OF ASPHALT CANYON.

PLEASE NOTE THAT THE HARDAWAY CLAIM DOES NOT JOIN THE M.S. #5239 "MIDNIGHT" CLAIM BY 13.0' ON THE SOUTH SIDE AND 19.2' ON THE NORTH SIDE. THIS PROPERTY WOULD STILL BE IN OWNERSHIP OF THE B.L.M.

SURFACE FACILITY LAYOUT MAP
STATE OF UTAH DIVISION OF OIL, GAS & MINING SECTION 106.3 REGULATIONS

DETAILED PLAN MAP SHOWING AREAS OF PROPOSED DISTURBANCES

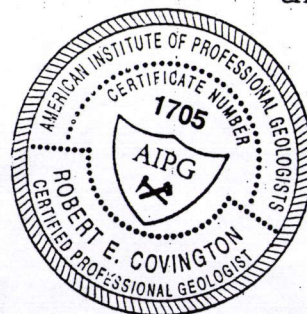


IDEALIZED PLAN. TOPOGRAPHY MAY NECESSITATE SOME MODIFICATION IN LAYOUT, SUCH AS SHAFT NO.1 WHERE THE GENERATOR HOUSE AND COMPRESSOR HOUSES WILL BE LAID OUT TO THE WEST, RATHER THAN ON A LINE PERPENDICULAR TO THE VEIN. AREA OF DISTURBANCE WILL BE THE SAME. TOTAL DISTURBANCE PER SHAFT LOCATION = 1.085 ACRES.

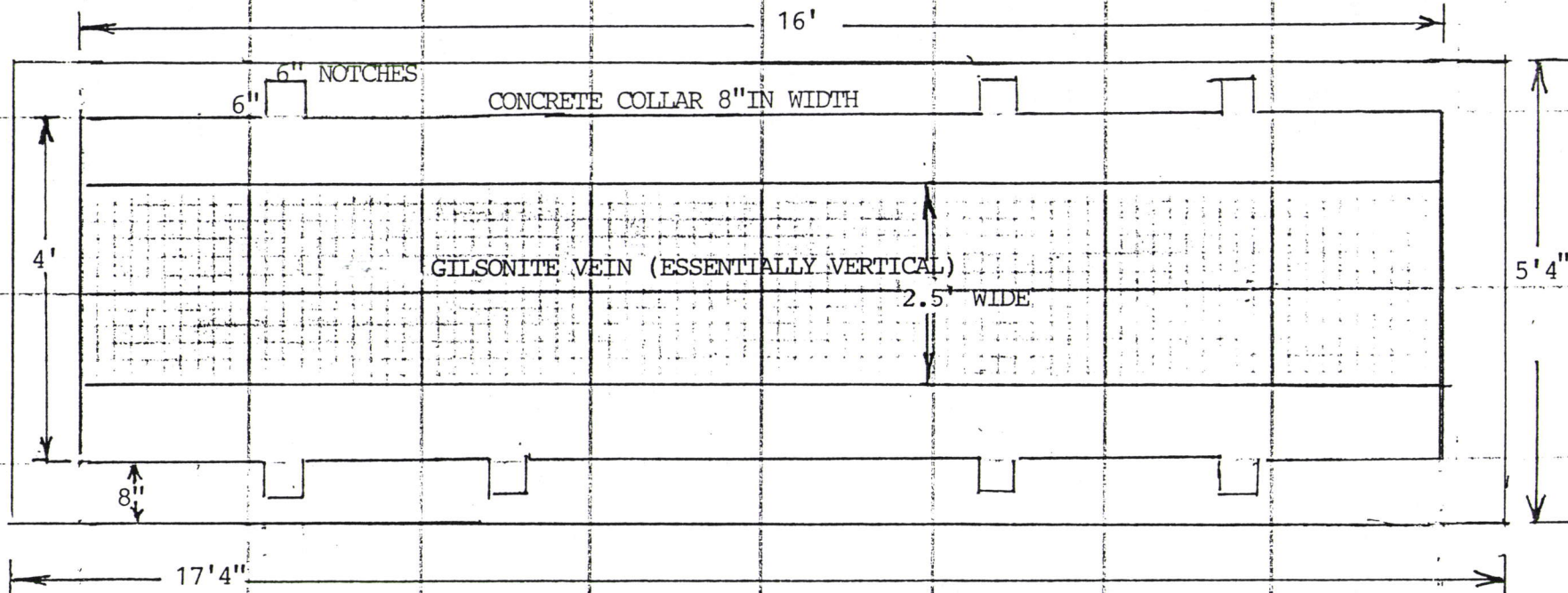
NOTE:

Surface Facilities may be on the North side of the vein, rather than on the South side as shown.

ROBERT E. COVINGTON, CPG #1705
 CONSULTANT FOR ZIEGLER CHEMICAL & MINERAL CORPORATION
 JANUARY 28,, 2000



PLAN VIEW OF CEMENT, REBAR, TIMBER & PLYWOOD COFFIN
FOR SEALING GILSONITE MINE SHAFT
ZIEGLER CHEMICAL PATENTED MINING CLAIM M.S 5688
UINTAH COUNTY, UTAH
FOR
ZIEGLER CHEMICAL & MINERAL CORPORATION
SW $\frac{1}{4}$ OF SECTION 7, T11S-R24E, HARDWAY CLAIM
SCALE: 1" = 2'



COLLAR HEIGHT VARIES- DETERMINED BY DEPTH TO BEDROCK. MINIMUM IS 42".

ROBERT E. COVINGTON, CPG #1705

VERNAL, UTAH

01:28 2000